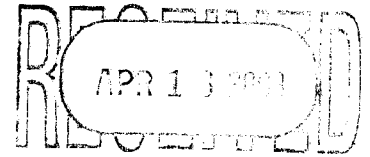


**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**



**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**



WS-02156A  
Rio Verde Utilities- ~~Water &~~ Sewer Division  
25609 Danny Lane, Ste 1  
Rio Verde AZ 85263

**ANNUAL REPORT**

*Entered  
4/30/03  
C.M.*  
*(2002  
assessment  
db updated  
C.M.)*

**FOR YEAR ENDING**

12	31	2002
----	----	------

**FOR COMMISSION USE**

ANN05	02
-------	----

PROCESSED BY:

*4/23/03 C.M.*

SCANNED

## COMPANY INFORMATION

**Company Name (Business Name)** Rio Verde Utilities, Inc.

**Mailing Address** 25609 N Danny Lane, Suite 1  
(Street)

Rio Verde

(City)

AZ

(State)

85263

(Zip)

480-471-7247

Telephone No. (Include Area Code)

480-471-7636

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

**Local Office Mailing Address** 25609 N Danny Lane  
(Street)

Rio Verde

(City)

AZ

(State)

85263

(Zip)

480-471-7247

Local Office Telephone No. (Include Area Code)

480-471-7636

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

## MANAGEMENT INFORMATION

**Management Contact:** Jim Thomson

(Name)

(Title)

25609 N Danny Lane

(Street)

Rio Verde

(City)

AZ

(State)

85263

(Zip)

480-471-7247

Telephone No. (Include Area Code)

480-471-7636

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

**On Site Manager:** Mike Kleminski

(Name)

25202 Forest Rd

(Street)

Rio Verde

(City)

AZ

(State)

85263

(Zip)

480-471-2609

Telephone No. (Include Area Code)

480-471-7636

Fax No. (Include Area Code)

602-677-3837

Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

**Statutory Agent:** Jim Thomson

(Name) \_\_\_\_\_

\_\_\_\_\_  
 (Street) (City) (State) (Zip)

180 171 3247 180 171 7636

Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
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**Attorney:** Richard Salquist

(Name) \_\_\_\_\_

\_\_\_\_\_  
 (Street) (City) (State) (Zip)

---

## OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S) ☒ C Corporation (C) (Other than Association/Co-op)

☐ **Partnership (P)** ☐ **Subchapter S Corporation (Z)**

☐ **Bankruptcy (B)**
☐ **Association/Co op (A)**

☐ Receivership (R) ☐ Limited Liability Company

☐ **Other (Describe)** \_\_\_\_\_

## COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ **APACHE**
☐ **COCHISE**
☐ **COCONINO**

☐ GILA                      ☐ GRAHAM                      ☐ GREENLEE

☐ LA PAZ                      ☒ MARICOPA                      ☐ MOHAVE

☐ NAVAJO                      ☐ PIMA                      ☐ PINAL☐ SANTA CRUZ                      ☐ YAVAPAI                      ☐ YUMA

## STATEWIDE

COMPANY NAME

Rio Verde Utilities, Inc.

Sewer Division

**UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
351	Organization	1,380		
352	Franchises	—		
353	Land and Land Rights	50,513		
354	Structures and Improvements	277,883		
355	Power Generation Equipment	—		
360	Collection Sewers – Force	61,069		
361	Collection Sewers – Gravity	1,723,698		
362	Special Collecting Structures	194,835		
363	Services to Customers	562,446		
364	Flow Measuring Devices	—		
365	Flow Measuring Installations	—		
370	Receiving Wells	—		
380	Treatment and Disposal Equip.	2,376,760		
381	Plant Sewers	—		
382	Outfall Sewer Lines	—		
389	Other Plant and Misc. Equipment	—		
390	Office Furniture and Equipment	—		
391	Transportation Equipment	19,133		
393	Tools, Shop and Garage Equip.	1,403		
394	Laboratory Equipment	58,224		
395	Power Operated Equipment	—		
398	Other Tangible Plant	76,104		
	<b>TOTALS</b>	<b>5,403,498</b>	<b>1,222,657</b>	<b>4,175,841</b>

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

Rio Verde Utilities, Inc.

Sewer Division

**CALCULATION OF DEPRECIATION EXPENSE**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
351	Organization	1,280		
352	Franchises	*		
353	Land and Land Rights	50,513		
354	Structures and Improvements	2,72,833		
355	Power Generation Equipment	*		
360	Collection Sewers – Force	61,069		
361	Collection Sewers – Gravity	1,723,698		
362	Special Collecting Structures	194,835		
363	Services to Customers	562,446		
364	Flow Measuring Devices	*		
365	Flow Measuring Installations	*		
370	Receiving Wells	*		
380	Treatment and Disposal Equip.	2,376,760		
381	Plant Sewers	*		
382	Outfall Sewer Lines	*		
389	Other Plant and Misc. Equipment	*		
390	Office Furniture and Equipment	*		
391	Transportation Equipment	19,133		
393	Tools, Shop and Garage Equip.	1,403		
394	Laboratory Equipment	58,224		
395	Power Operated Equipment	*		
398	Other Tangible Plant	76,104		
	<b>TOTALS</b>	<b>5,403,498</b>	<b>2.60375 %</b>	<b>78,461</b>

This amount goes on Comparative Statement of Income and Expense Acct. 403

COMPANY NAME

Rio Verde Utilities, Inc.

Seeger Division

**BALANCE SHEET**

Acct. No.		BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 14,157	\$ 37,079
132	Special Deposits	*	*
135	Temporary Cash Investments	285,761	237,819
141	Customer Accounts Receivable	93,969	29,979
146	Notes/Receivables from Associated Companies	*	*
151	Plant Material and Supplies	*	*
162	Prepayments	123,785	110,167
174	Miscellaneous Current and Accrued Assets	367,502	163,031
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 985,174	\$ 578,095
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 5,395,829	\$ 5,403,498
103	Property Held for Future Use	1,290,354	1,290,354
105	Construction Work in Progress	7,523	98,946
108	Accumulated Depreciation – Utility Plant	<1,087,414>	<1,227,657>
121	Non-Utility Property	*	*
122	Accumulated Depreciation – Non Utility	*	*
	<b>TOTAL FIXED ASSETS</b>	\$ 5,605,292	\$ 5,565,141
	<b>TOTAL ASSETS</b>	\$ 6,590,466	\$ 6,143,216

NOTE: Total Assets on this page should equal **Total Liabilities and Capital** on the following page.

COMPANY NAME *Rio Verde Utilities, Inc* *Sewer Division*

**BALANCE SHEET (CONTINUED)**

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF YEAR
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$ 36,861	\$ 33,628
232	Notes Payable (Current Portion)	109,372	96,335
234	Notes/Accounts Payable to Associated Companies	24,105	21,650
235	Customer Deposits	•	•
236	Accrued Taxes	1,962	22,842
237	Accrued Interest	•	•
241	Miscellaneous Current and Accrued Liabilities	•	•
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 172,300	\$ 174,455
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$ 3,244,714	\$ 2,712,956
	<b>DEFERRED CREDITS</b>		
252	Advances in Aid of Construction	\$ •	\$ •
253	Other Deferred Credits	•	•
255	Accumulated Deferred Investment Tax Credits	29,402	26,958
271	Contributions in Aid of Construction	2,331,379	2,331,379
272	Less: Amortization of Contributions	<456,318>	<512,100>
281	Accumulated Deferred Income Tax	161,495	175,968
	<b>TOTAL DEFERRED CREDITS</b>	\$ 2,065,958	\$ 2,017,205
	<b>TOTAL LIABILITIES</b>	\$ 5,482,972	\$ 4,904,616
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 1,428,357	\$ 1,428,357
211	Other Paid in Capital	•	•
215	Retained Earnings	<320,863>	<189,757>
218	Proprietary Capital (Sole Props and Partnerships)	•	•
	<b>TOTAL CAPITAL</b>	\$ 1,107,494	\$ 1,238,600
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 6,590,466	\$ 6,143,216

COMPANY NAME

Rio Verde Utilities, Inc.

Sewer Division

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

	<b>OPERATING REVENUES</b>	<b>PRIOR YEAR</b>	<b>TEST YEAR</b>
521	Flat Rate Revenues	\$ 775,768	\$ 869,064
522	Measured Revenues		
536	Other Wastewater Revenues		
	<b>TOTAL REVENUES</b>	\$ 775,768	\$ 869,064
	<b>OPERATING EXPENSES</b>		
701	Salaries and Wages	\$ 68,690	\$ 79,155
710	Purchased Wastewater Treatment	"	"
711	Sludge Removal Expense	14,426	9,973
715	Purchased Power	54,584	56,028
716	Fuel for Power Production	"	"
718	Chemicals	22,443	15,411
720	Materials and Supplies	5,566	5,016
731	Contractual Services – Professional	6,097	4,620
735	Contractual Services – Testing	1,552	1,400
736	Contractual Services – Other	49,490	48,134
740	Rents	"	"
750	Transportation Expense	3,529	4,778
755	Insurance Expense	15,365	17,921
765	Regulatory Commission Expense	6,667	10,000
775	Miscellaneous Expense	105,417	144,148
403	Depreciation Expense	78,541	78,461
408	Taxes Other Than Income	11,602	12,783
408.11	Property Taxes	32,266	15,407
409	Income Taxes	42,076	44,307
	<b>TOTAL OPERATING EXPENSES</b>	\$ 513,311	\$ 547,542
	<b>OTHER INCOME/EXPENSE</b>		
419	Interest and Dividend Income	\$ 5,314	\$ 18,774
421	Non-Utility Income	"	"
426	Miscellaneous Non-Utility Expenses	"	"
427	Interest Expense	281,252	209,190
	<b>TOTAL OTHER INCOME/EXP</b>	\$ 275,938	\$ 190,416
	<b>NET INCOME/(LOSS)</b>	\$ (13,481)	\$ 131,106



COMPANY NAME

Rio Verde Utilities, Inc

Sewer Division

**SUPPLEMENTAL FINANCIAL DATA****Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	6/22/96	12/5/01		
Source of Loan	Co Bank	Co Bank		
ACC Decision No.		67585		
Reason for Loan	Plant Expansion	Plant Expansion		
Dollar Amount Issued	\$ 2,000,000	\$ 1,179,398	\$	\$
Amount Outstanding	\$ 1,669,366	\$ 1,150,623	\$	\$
Date of Maturity	6/26/2016	12/21/2021		
Interest Rate	1/2 variable 1/2 9.875 %	variable %	%	%
Current Year Interest	\$ 124,610	\$ 84,580	\$	\$
Current Year Principle	\$ 63,424	\$ 29,055	\$	\$

COMPANY NAME

Rio Verde Utilities, Inc

**WASTEWATER COMPANY PLANT DESCRIPTION****TREATMENT FACILITY**

<b>TYPE OF TREATMENT</b> (Extended Aeration, Step Aeration, Oxidation Ditch, Aerobic Lagoon, Anaerobic Lagoon, Trickling Filter, Septic Tank, Wetland, Etc.)	EXTENDED AERATION, TERTIARY TREATMENT WITH PRESSURE FILTERS & EFFLUENT DISINFECTION
<b>DESIGN CAPACITY OF PLANT</b> (Gallons Per Day)	700,000 gpd

**LIFT STATION FACILITIES**

Location	Quantity of Pumps	Horsepower Per Pump	Capacity Per Pump (GPM)	Wet Well Capacity (gals)
25202 N. Forest Rd	3	10	530	2400
" "	3	5	390	5100
Tonto Verde (EAST)	2	5	300	1340
" "	1	3	150	-
Box BAE	2	1	13	146

**FORCE MAINS**

Size	Material	Length (Feet)
4-inch	PVC	400'
6-inch	PVC	14,441'
2-inch	HDPE	2,500'

**MANHOLES**

Type	Quantity
Standard	458
Drop	118

**CLEANOUTS**

Quantity
102

COMPANY NAME

Rio Verde Utilities

**WASTEWATER COMPANY PLANT DESCRIPTION CONTINUED****COLLECTION MAINS**

Size (in inches)	Material	Length (in feet)
4		
6	PVC	5951
8	"	129,160
10	"	1312
12	"	12586
15	"	5200
18		
21		
24		
30		

**SERVICES**

Size (in inches)	Material	Quantity
4	PVC	1627
6		
8		
12		
15		

**FOR THE FOLLOWING FIVE ITEMS, LIST THE UTILITY OWNED ASSETS IN EACH CATEGORY**

<b>SOLIDS PROCESSING AND HANDLING FACILITIES</b>	Vacuum & Plate Presses w/ 25 cu yd. container
<b>DISINFECTION EQUIPMENT</b> (Chlorinator, Ultra-Violet, Etc.)	Hypochlorinator w/ Bulk 12 1/2% chlorine storage (1500 gal)
<b>FILTRATION EQUIPMENT</b> (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	7 Dual media Pressure Sand Filters
<b>STRUCTURES</b> (Buildings, Fences, Etc.)	Lab-Office Bldg, WWTP enclosure, Blower & Maintenance Buildings
<b>OTHER</b> (Laboratory Equipment, Tools, Vehicles, Standby Power Generators, Etc.)	2 - 75 KW } standby 1 - 130 " } generators / Spectrophotometer, autoclave 1 - 230 " } / ovens, incubators, turbidimeter & titrator

COMPANY NAME

Rio Verde Utilities

WASTEWATER FLOWS

MONTH/YEAR (Most Recent 12 Months)	NUMBER OF SERVICES	TOTAL MONTHLY SEWAGE FLOW	SEWAGE FLOW ON PEAK DAY
2/03	1381	6,311,000	312,000
2/02	1380	6,434,000	253,000
12/02	1380	5,706,000	274,000
11/02	1379	5,643,000	249,000
10/02	1376	4,270,000	190,000
9/02	1376	3,758,000	174,000
8/02	1374	3,278,000	129,000
7/02	1371	3,407,000	139,000
6/02	1367	3,716,000	158,000
5/02	1363	4,242,000	184,000
4/02	1360	6,060,000	241,000

PROVIDE THE FOLLOWING INFORMATION AS APPLICABLE

<b>Method Of Effluent Disposal</b> (leach field, surface water discharge, reuse, injection wells, groundwater recharge, evaporation ponds, etc.)	Reuse
<b>Wastewater Inventory Number</b> (all wastewater systems are assigned an inventory number)	37-121
<b>Groundwater Permit Number</b>	N/A
<b>ADEQ Aquifer Protection Permit Number</b>	P 100197
<b>ADEQ Reuse Permit Number</b>	R 100197
<b>EPA NPDES Permit Number</b>	N/A

## **STATISTICAL INFORMATION**

Total number of customers	<u>1380</u>	
Total number of gallons treated	<u>57,357,000</u>	gallons

COMPANY NAME Rio Verde Utilities, Inc. YEAR ENDING 12/31/2002

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported 420,118  
Estimated or Actual Federal Tax Liability 146,240

State Taxable Income Reported 380,697  
Estimated or Actual State Tax Liability 26,527

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances 0  
Amount of Gross-Up Tax Collected 0  
Total Grossed-Up Contributions/Advances 0

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

  
SIGNATURE

4/15/03  
DATE

Jim Thomson  
PRINTED NAME

Vice President  
TITLE

COMPANY NAME Rio Verde Utilities, Inc. YEAR ENDING 12/31/2002

**PROPERTY TAXES**

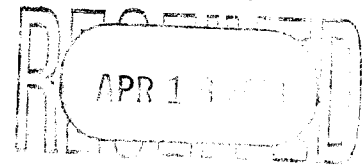
Amount of actual property taxes paid during Calendar Year 2002 was: \$ 15,407

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

ARIZONA CORPORATION  
COMMISSION



**VERIFICATION**

STATE OF AZ

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>Maricopa</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>Jim Thomson, Vice President</u>
COMPANY NAME	<u>Rio Verde Utilities, Inc.</u>

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2002</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2002 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 873,012

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 3,978  
IN SALES TAXES BILLED, OR COLLECTED

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SIGNATURE OF OWNER OR OFFICIAL  
Jim Thomson  
TELEPHONE NUMBER  
480-471-7247

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

15th

DAY OF

COUNTY NAME	<u>MARICOPA</u>	
MONTH	<u>APRIL</u>	<u>20 03</u>

(SEAL)

MY COMMISSION EXPIRES

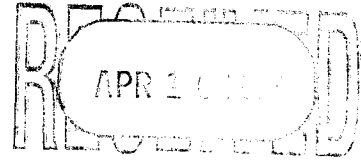


SIGNATURE OF NOTARY PUBLIC  
Diane Ledford



**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**

ARIZONA CORPORATION  
COMMISSION



VERIFICATION

STATE OF AZ

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) <u>Maricopa</u>		
NAME (OWNER OR OFFICIAL) <u>Jim Thomson</u>	TITLE <u>Vice President</u>	
COMPANY NAME <u>Rio Verde Utilities, Inc.</u>		

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2002 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 688,580

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$         
IN SALES TAXES BILLED, OR COLLECTED

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

X   
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

15th

DAY OF

NOTARY PUBLIC NAME <u>DIANE LEDFORD</u>	
COUNTY NAME <u>MARICOPA</u>	
MONTH <u>APRIL</u>	. 20 <u>03</u>

(SEAL)

MY COMMISSION EXPIRES



SIGNATURE OF NOTARY PUBLIC